



**FAQ'S
IDAHO STATE CONTRACTOR REGISTRATION, SPECIAL TRADE LICENSING
AND
PUBLIC WORKS CONTRACTOR/CONSTRUCTION MANAGER LICENSING**

Frequently Asked Questions-General

Q. Who is required to be licensed with the State of Idaho?

A. Persons who perform special trade electrical, HVAC or plumbing work and public works contractors/construction managers are required to be licensed. Additionally, contractors performing construction work as defined below are required to be registered.

Frequently Asked Questions-Construction Contractors Registration

Q. Are contractors required to be licensed or registered in Idaho?

A. The 58th Idaho Legislature passed, and the Governor signed, the Idaho Contractor Registration Act, which required contractors to be registered by January 1, 2006. The Act requires registration, not licensure.

Q. What is a Contractor?

A. A Contractor is defined in 54-5203, Idaho Code as: "Any person who in any capacity undertakes, offers to undertake, purports to have the capacity to undertake, or submits a bid to, or does himself or by or through others, perform construction." or "A construction manager who performs construction management services."

Q. What is the definition of Construction?

A. "Construction" is defined in 54-5203(3), Idaho Code as the performance of building, altering, repairing, adding to, subtracting from, improving, reconstructing, moving, excavating, wrecking or demolishing any building, highway, road, bridge, or other structure, project, development or improvement to real property, or to do any part thereof, including the erection of scaffolding or other structures or works in connection therewith.

Q. Who must register?

A. Any person who engages in a construction job with a dollar amount exceeding \$2000.00 (materials & labor) and is not otherwise exempt. The exemptions are listed below.

Q. Do I have to register?

A. Again, if you are not exempt, you must register if you perform any work on real property. The law applies to everyone. The work includes not only building or repairing a structure, but also road, bridge, scaffolding and related work. Some situations involving contractors are covered under other provisions of Idaho law or simply do not require registration.

- Existing License: If you are a licensed as a public works contractor or as a construction manager, you may register if you are engaged in construction outside the scope of your public works license, but you are exempt from paying the fee. If you are licensed as an Architect, Electrical Contractor, Engineer or Surveyor, Plumber, Manufactured Home Installer, Service Company Contractor, HVAC installer, etc. you do not have to register, unless you are engaged in contracting beyond the scope of your license.
- Employees: Employees of contractors who are paid in wages are exempt from registration.
- Suppliers: Suppliers who do not install or fabricate the materials are exempt from registration.
- Owners: Owners who do their own work on their own land and do not intend to sell the property within 12 months are exempt from registration.
- Commercial Buildings: Commercial building owners who maintain their own buildings with their own crews are exempt from registration.

Q. What are all of the exemptions to the registration requirement?

A. Though no person exempt from registration may hold themselves out as a registered contractor, the following are not required to register:

- Anyone licensed, registered, or otherwise regulated by the state of Idaho (i.e. Architects, Electrical Contractors, Engineers & Surveyors, Plumbers, Manufactured Home Installer, Service Company Contractor, HVAC installers, etc.), so long as they are not acting with the intent to evade this chapter.
- A person who only performs labor or services for wages or a salary as an employee of a contractor, or as an employee of a person otherwise exempt by the provisions set forth in this chapter, or strictly as a volunteer or as part of a bona fide educational curriculum or nonprofit charitable activity for which no wages or salary shall be paid. This exemption shall not apply to any subcontractor or other independent contractor who is not otherwise exempt.
- An authorized representative of the United States government, the State of Idaho, or any incorporated municipality, county, alternative form of local government, highway district, reclamation district, or other municipal or political corporation or subdivision of this state.
- A public utility operating under the regulation of the Idaho public utility commission as set forth in Title 61, Idaho Code, in the construction, maintenance, or development work incidental to its own business.
- A person who performs repair or operation incidental to the discovery or production of oil, gas or minerals or incidental to the drilling, testing, abandoning, or other operation of an oil or gas well or a surface or underground mine or mineral deposit.
- A person who only furnishes materials, supplies or equipment and who does not install or fabricate them into, or consume them in the performance of, the work of the construction contractor.
- A person performing work on one undertaking or project considered casual, minor, or inconsequential, whether by one or more contracts, the aggregate contract price of which, for labor and materials and all other items, is less than two thousand dollars (\$2,000). The exemptions prescribed in this paragraph shall not apply when the work or construction is part of a larger construction project, whether undertaken by the same or a different construction contractor, or in which a division of the operation is made into contracts of amounts of less than two thousand dollars (\$2,000) for the purpose of evasion of this act.
- A farmer or rancher while engaged in a farming, dairying, agriculture, viticulture, horticulture or stock or poultry operation.

- A person who engages in the construction of an agriculture building that is exempt from the Idaho building code.
- An irrigation district, canal company, reservoir district, ground water district, water district, water measurement district, recharge district, flood control district, drainage district, or other water delivery or water management entity, or an operating agent of irrigation districts whose board consists of directors of its member districts.
- An operation related to clearing or other work upon land in rural districts for fire prevention purposes.
- An owner who contracts for work to be performed by a registered contractor on his own property. This exemption does not apply to an owner who, with the intent to evade this chapter, constructs a building, residence or other improvement on the owner's property with the intention and for the purpose of selling the improved property at any time during the construction or within 12 months of completion of the construction.
- An owner who performs construction on their personal residential real property, whether or not occupied by the owner. This exemption shall not apply to an owner who is otherwise regulated by this chapter who constructs a building, residence or other improvement on their property with the intention and purpose of promptly selling the improved property, unless the owner has continuously occupied the property as the primary resident for at least 12 months prior to the sale of the property.
- Owners of commercial properties, or lessees of commercial properties with the consent of the owner, who, whether themselves or with their own employees, perform maintenance, repair, alteration or construction work in or upon the properties.
- A real estate licensee acting within the scope of their license who, incident to a regulated real estate transaction, assists clients in scheduling or performing nominal maintenance and repairs upon properties being transferred. This section does not authorize a real estate licensee or a property manager to act in the capacity of a contractor unless registered as such.
- A contractor engaged in the logging industry who builds forest access roads for the purpose of harvesting and transporting logs from forest to mill.
- A person working on their own residence, if a person other than the residents owns the residence.
- A person who engages in the construction of building to be used primarily for industrial chemical process purposes as set forth in Section 39-4103, Idaho Code.
- A person who engages in the construction of a modular building equipped with the necessary service connections and made so as to be readily moveable as a unit on its own running gear and originally designated to be used without a permanent foundation, that are constructed in the state of Idaho for installation on a building site outside the state.

Q. Why am I required to register?

A. The State of Idaho has created these registration requirements in the interest of protecting the health, safety and welfare of Idaho's public. The law provides a mechanism to remove from practice those incompetent, dishonest, or unprincipled practitioners of construction. The Idaho Contractors Board will enforce the requirements and will adopt and implement new rules to do so.

Q. How do I register?

A. You must complete a registration application (available by mail or on the web), provide the requested documentation and pay a fee. (The original application fee has been set at \$35.00). The application requires the submission of supplemental documents that must be received before your registration can be considered.

Q. What information does the application require?

A. The following information must be provided:

- Social security number for an individual or an employer tax identification number for a business;
- The name and address under which the applicant conducts business;
- The name and address of each principal, member, partner, shareholder, or any other person claiming an ownership interest in the business entity for which registration is being applied for;
- A certificate issued by an insurance company authorized to do business in the state of Idaho or other satisfactory proof that the applicant has procured and has in effect worker's compensation insurance or a statement by the contractor as to why such certificate or coverage is not required for the applicant;
- A certificate issued by an insurance company authorized to do business in the state of Idaho that the applicant has procured and has in effect a general liability policy, including products and continued operations insurance covering the applicant's construction operations in the sum of not less than \$300,000 single limit;
- A statement of the type of construction to be undertaken by the applicant, or such other information as may be required by the board pursuant to administrative rules adopted by the board;
- A statement that the applicant and each principal, member, partner, shareholder, or any other person claiming an ownership interest in the business entity for which registration is being applied for herein has never been denied or had revoked a contractor's license or registration privilege in this or any other state or, if a license or registration privilege has been denied or revoked in this or any other state, an explanation of any such denial or revocation.

Q. Who approves the applications?

A. The Idaho Contractors Board. The Board consists of five members who are appointed by the Governor. The Board is made up of four members who are contractors, and one member of the public at large.

Q. Once I am registered, what do I need to do?

A. You must prominently display your registration number, within 60 days of registration, at your place of business and jobsite, and on all advertising, contracts, building permits, letterheads, purchase orders and subcontracts.

Q. How often do I have to renew my registration?

A. Initial registrations will be valid for 12 months after your next birthday. Renewal will be required annually. Each registrant will receive a renewal notice approximately six weeks before the expiration date printed on the registration card. The completed renewal application and the \$35.00 renewal fee must be mailed to the Board office. Renewals may also be processed online.

Q. What if I am not exempt and I practice without a license?

A. If you fail to register and practice, the following penalties apply:

- No Building Permits - You cannot obtain a building permit.
- No Lien Rights - You waive any right to a lien on real property.
- No Contract Rights - You lose your right to sue to collect money for your work under any contract for which you were required to be registered.
- Misdemeanor: Any person acting in the capacity of a contractor as defined and who does not have a current registration as required shall be guilty of a misdemeanor. Upon conviction, each violation shall be punished by a fine of no more than \$1,000 or by imprisonment in the county jail for a term not to exceed six (6) months, or by both, in the discretion of the court.

Q. What happens if other contractors on the job are not registered?

A. If there are other contractors, subcontractors or persons performing construction on the job, you must obtain "satisfactory proof" that everyone you engage on the job is registered. Failure to do so violates the Act. You could also lose your lien rights. If you work for, or supply materials to, someone that you know is not registered even though they should be, you lose your lien rights.

Q. How can my registration be revoked?

A. Your registration can be revoked for many reasons. The more pertinent reasons are:

- Violate Act: You fail to follow any rules relating to registration that are set forth by the legislature or by the Idaho Contractors Board (for example, fail to provide workers compensation or liability insurance).
- Violate Consumer Protection Act: You violate Idaho's Consumer Protection Act (for example, making misleading statements).
- Dishonesty: Your conduct constitutes "dishonest or dishonorable dealings".
- Substandard Construction: Your construction work substantially fails to meet the generally accepted standard of care in the practice of construction in Idaho.

Q. Are there disclosure laws for contractors?

A. Yes. Idaho law requires general contractors to provide certain disclosures to owners and purchasers of residential real property. The Idaho Contractors Board provides the following guidance to registered contractors to facilitate compliance with Idaho law:

Initial Disclosure

Section 45-525(2), Idaho Code requires a general contractor to provide a disclosure statement, prior to entering into a contract in excess of \$2,000 with a homeowner or purchaser of residential real property to construct, alter or repair any improvements on residential real property, or for the purchase and sale of newly constructed property. The general contractor must also obtain and retain a receipt for the disclosure, signed by homeowner or purchaser. The statement must include the following disclosures:

- The homeowner or purchaser has the right, at their reasonable expense, to require the general contractor to obtain lien waivers from any subcontractors providing services or materials to the general contractor.
- The homeowner or purchaser has the right to receive from the general contractor proof that the general contractor has in effect a general liability insurance policy including completed operations and workers' compensation insurance for employees as required by Idaho law.
- The homeowner or purchaser must be informed of the opportunity to purchase an extended policy of title insurance covering certain unfilled or unrecorded liens.
- The homeowner or purchaser has the right to require, at their expense, a surety bond in an amount up to the value of the construction project.

Disclosure Upon Completion

Section 54-525(3), Idaho Code requires a general contractor to provide to a homeowner or purchaser of residential real property an additional disclosure statement, within a reasonable time either (1) prior to receipt of final payment from the homeowner or purchaser for construction, alteration, or repair of any improvement of residential real property, or (2) prior to closing on a purchase and sales agreement with a prospective purchaser. The following requirements apply:

- The general contractor must sign the disclosure statement.
- The disclosure statement must list the business names, addresses and telephone numbers of all subcontractors, materialmen and rental equipment providers who have a direct contractual relationship with the general contractor and who supplied materials or performed work on the residential property of a value in excess of \$500.

- Subcontractors, materialmen and rental equipment providers listed in the disclosure statement are authorized to disclose balances owed to the homeowner or purchaser and their agents.
- The general contractor is not liable for any error, inaccuracy or omission of any information delivered pursuant to Section 45-525(3), Idaho Code if the error, inaccuracy or omission was not within the general contractor's personal knowledge.

Pursuant to Section 45-525(4), Idaho Code failure to provide the disclosures required by Idaho Law constitutes an unlawful and deceptive act or practice in trade or commerce under the Idaho Consumer Protection Act, Chapter 6, Title 48, Idaho Code. The Board may discipline a registered contractor for a violation of the Idaho Consumer Protection Act pursuant to Section 54-5215(2) (b), Idaho Code.

Frequently Asked Questions—Public Works Contractors Licenses

Contractors:

Any contractor or subcontractor who wishes to construct, repair or reconstruct any project that involves public funding of contracts/purchase orders with the State of Idaho or any other political subdivision of the state authorized to let or award contracts for public work if the estimated cost of the entire project is \$10,000 or more

Construction Managers:

The State of Idaho requires that construction managers (CM's) be licensed in order to assure the public that CM's have the level of education and experience required for successful management of public construction projects. A license is required for any individual who wishes to act as a construction manager in public works construction or offers to perform construction management services on any project where the estimated cost of the entire project is \$10,000 or more and where the project involves public funding from the State of Idaho or any other political subdivision of the state that is authorized to let or award contracts for any public work

Who needs a Public Works Contractor License?

Any contractor or subcontractor who wishes to construct, repair or reconstruct any project that involves **public funding** of contracts/purchase orders with the State of Idaho or any other political subdivision of the state authorized to let or award contracts for public work if the estimated cost of the entire project is \$50,000 or more.

Persons wishing to engage in private residential or private commercial contracting do not require a Public Works Contractor License but should become registered as a general contractor by contacting the Idaho Bureau of Occupational Licenses at (208) 334-3233 or by following at <https://ibol.idaho.gov>

Who needs a Construction Manager License and Why?

The State of Idaho requires that construction managers (CM's) be licensed in order to assure the public that CM's have the level of education and experience required for successful management of public construction projects. A license is required for any individual who wishes to act as a construction manager in public works construction or offers to perform construction management services on any project where the estimated cost of the entire project is \$50,000 or more and where the project involves public funding from the State of Idaho or any other political subdivision of the state that is authorized to let or award contracts for any public work.